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SUBJECT: PANAMA EVANGELICALS SEEKING POLITICAL POWER

REF: PANAMA 01591

SUMMARY

1. (SBU) Two Panamanian Evangelical ministers plan to form a political party (Partido Teologia) in 2007 with the goal of electing a president and legislators in 2009. If nerve and energy were the only prerequisites for political success, these admitted political novices would surely win some elections. Spouting a pro-business and pro-American philosophy, they presented their plan with enthusiasm and eloquence in a recent meeting with PolOff. Some 10-15% of Panamanians are Evangelicals, but a similar effort to form a Panamanian Evangelical Party in 1994 failed due to a lack of funding. The two ministers hope to harness the potential strength of this large group of voters but reject forming alliances with existing political parties. Instead, they seek a new approach to solve their country's poverty, narcotrafficking, and political corruption. Although they are inexperienced and somewhat naive, they could surprise and become effective politicians if they prove good at fundraising, a vital part of creating a new political party. End summary.

Part time Ministers but fully committed

2. (SBU) Panamanian ministers Rafael Dyer Frank and Evans Ellis are the driving force in a plan to organize an Evangelical political party in Panama. Ellis works full-time for the Panama Canal Authority in information technology and part time for the Hosana Church. Dyer describes himself as a part-time business consultant who also works for the Church of the Miracles of Jesus Christ. Both Frank and Ellis are Afro-Panamanians from the once-prosperous city of Colon. At this time the party has 150 organizers, mostly church leaders. Frank and Ellis claim a Panamanian economist recently joined their ranks to provide advice to their new political entity.

3. (SBU) Note: Colon prospered from the 1940s to 1970s because of a large U.S. military presence that created many relatively high-paying civil service jobs as well as opportunities to work for American families as cooks, drivers, maids, and gardeners. Colon began a rapid decline in the late 1970s when a series of events -- U.S. military base closings, closure of the Panama-Colon railroad, and the decline of the oil refining industry -- helped tip the city into a depression from which it has never recovered (see REFTEL). Afro-Panamanians make up 14% of Panama's population and are subject to racial discrimination and prejudice. Some among Panama's elite blame the United States for bringing West Indians to Panama to work during the construction of the Canal and also blame the U.S. because those workers chose to remain in Panama once the Canal construction was completed. The descendants of the builders of the most important economic asset in Panama are blamed for creating many of the existing social problems in Panama. End note.)

Evangelicals in Social Distress

4. (SBU) What motivates Frank is the social injustice and suffering that he sees on every hand. Frank estimates 50% of the Evangelicals in Panama are unemployed and told PolOff many have taken to drug dealing to earn a living. Frank cites unemployment (currently at 12.8%) in Panama as the cause of delinquency and crime. He told PolOff about a woman he knows who sells drugs to support her family and who no longer attends church because of the work she has been forced to pursue. The woman has told Frank that she would stop this illegal activity if she could get any other type of employment.

What about governing?

4A. (SBU) Frank has a hazy idea about what the Evangelical Party would do once in power. He would pursue an ambitious and utopian social and economic agenda that would include better salaries for police, less taxes on small businesses, and incentives for investment in Panama. The newly elected

party would have close relations with the United States. Frank believes only U.S. citizens are capable of helping Panama to fight the problems of drug trafficking, unemployment, and corruption within the Government of Panama.

15. (SBU) Frank is clearer about identifying problems than identifying solutions. Frank described the current political parties in Panama as "only helping the upper classes while the rest of Panama grows worse." He blames much of the unemployment in Colon on former President Guillermo Endara, who he says stopped the sale of merchandise purchased from the Colon Free Trade Zone, causing many people to turn to drug dealing to support themselves. (Note: In this situation, Frank clearly does not understand economic fundamentals. The purpose of a special trade zone such as Colon is to allow the tax-free importing of goods into a country for tax-free export to a third country.) He views Latin American political systems as ineffective and thus seeks ideas from outside the region. Frank credits the United States as "leaving Panama in better shape following its withdrawal than other countries in the Caribbean" and expressed interest in studying the economic growth achieved by India and China.

A pyramid scheme?

5A. (SBU) Frank described a simple plan to organize his political party using existing church memberships. According to Frank, Evangelical churches in Panama have 450,000 members over age 18 who are able to vote. Each member of the church will be required to recruit two other persons for the party enabling the Evangelicals to elect a president along with members of the National Assembly, Panama's legislative branch. (Note: the two people to be recruited would have to be non-members of the Evangelical churches. End note.) Frank told PolOff "there is no way we cannot win with this strategy."

The Dutch Connection

16. (SBU) The Evangelicals are hoping to lure support from a Dutch banker who plans to open a bank in Panama in 2006. The new bank would make loans to start small businesses such as restaurants, hotels, handicraft shops, internet cafes, and computer assembly plants to fight the unemployment, drug abuse, and poverty that bedevils Panama's poor. Since Evangelicals live in all parts of Panama, Frank believes the whole country would benefit from this program. Frank foresees ten percent of the profits from these businesses would help establish an Evangelical Party in 2007. Frank and Dyer estimate they will need at least \$1 million dollars. The profits generated from the businesses they hope to start would help finance their political campaigns in 2009 when Panama will elect a new president, vice president, and legislative assembly. (Note: Forming a political party in Panama is difficult and expensive. One must submit a petition signed by 50 persons in each of Panama's nine provinces and five comarcas (Indian territories) and recruit 60,000 members, a figure derived from 4% of the total votes in Panama's last election in 2004. End note.)

The Grand Tour

17. (SBU) Frank plans a trip to the Netherlands and other countries in Europe paid for by his Dutch banker friend. (He did not want to disclose his name or the name of his bank.) Frank is planning to study economics and finance while touring schools, businesses, and factories. His stated goal is to observe the political stability and economic prosperity of Europe and learn how it could be applied to make Panama a developed country.

U.S. Connection

18. (SBU) Frank said he has acquaintances active in an Evangelical church in North Carolina. He also spoke about visiting Evangelical groups in Colombia and the Dominican Republic to study their political movement. Frank also believes he will receive financial support from the Panamanian expatriate communities in the U.S., many of whom are Evangelicals. Frank has also met with leaders of the Mormon church in Panama which has an estimated 16,000 members as well as a missionary presence. Members of the budding Evangelical Party also want to meet with Catholic leaders to solicit their possible support in forming a new political party.

Comment

While it is easy to dismiss the Evangelicals' plan as unrealistic, the proposed Evangelical Party may just reflect what many Panamanians already think: income disparities are

growing worse, employment prospects are not improving, and the Torrijos administration, now one year old, has done little to improve the life of the average Panamanian. In a Gallup poll recently conducted in Panama, 64% of Panamanians reported no preference for any political party while the ruling PRD garnered only 23%. Although the Evangelicals are pro-business and pro-American, they could be a precursor for other groups with an agenda less-favorable to U.S. interests.

Successfully forming a new political party and winning legislative seats, let alone the Presidency, would be a formidable task for Panama's evangelicals. Winning some seats in the National Assembly, Panama's legislative body, is a more realistic goal as would forming a political bloc to deliver their votes to one of Panama's presidential candidates in 2009 in exchange for new economic and social programs. However, the Evangelicals do not want to work with political parties who they believe have not fulfilled promises in the past. Their unwillingness to form a coalition with other parts of Panamanian society may prevent them from achieving political success despite enthusiasm and commitment. The emergence of politicized Evangelicals could also foster reform movements in Panama's existing political parties to win the votes of this sizable minority.

ARREAGA